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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 002488

SIPDIS

STATE FOR EAP/MTS

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TAGS: PGOV EAID PINR PREL PHUM KISL RP

SUBJECT: AMBASSADOR URGES RAPID RESOLUTION TO MINDANAO

MILITARY OPERATIONS

REF: MANILA 2365 - PEACE PROCESS BATTERED BUT NOT BURIED

Classified By: Ambassador Kristie A. Kenney, for reasons 1.4 (b) and (d).

11. (C) Summary: Philippine Peace Process Advisor Hermogenes Esperon emphasized to the Ambassador over a private breakfast November 3 that President Arroyo remained committed to achieving a durable peace deal with the Moro Islamic Liberation Front (MILF) before her term ends in 2010, or at a minimum, making significant progress that her successor could build on. Esperon said that he maintained backchannel dialogue with the Moslem insurgents, and that he had almost wrapped up consultations with local government officials whom the President had vowed to reach out to as a first step in reviving the stalled peace talks. The Ambassador pressed hard on the difficult humanitarian situation facing civilians displaced from their homes by the ongoing military operations to capture rogue insurgent commanders suspected in savage attacks in August. She stressed the need to return displaced persons to their homes before sanitation problems and disease broke out in their temporary camps, and urged that the government consolidate its battlefield successes by undertaking increased civil-military operations, or risk the ire of the displaced population. Esperon took note of these comments, and acknowledged that the prolonged search for the rogue commanders would have a corrosive effect on government budgets, military morale, civilian trust and international opinion. End Summary.

FIRST STEPS BACK TO NEGOTIATING TABLE

- 12. (C) In a private November 3 breakfast conversation with Ambassador, Presidential Peace Advisor Hermogenes Esperon stressed that President Gloria Macapagal Arroyo remained firmly committed to attaining significant progress toward a peace agreement with the Moro Islamic Liberation Front, and was not content to let the current hiatus last until the end of her term in 2010. Even if a "100 percent" deal could not be achieved, President Arroyo wanted to ensure there was clear progress toward peace that could be handed on to her successor. Esperon's assessment of the MILF's position was less positive, saying that the MILF still took as the starting point for any renewed talks the aborted memorandum of agreement on territory that the Supreme Court recently declared unconstitutional (reftel). This was unworkable for the government, Esperon said, but communication had not broken down completely, as he maintained some backchannel discussions with the MILF, which was still interested in ensuring that assistance projects such as clinics and roads continued in their areas.
- 13. (C) Esperon outlined progress in attaining some key goals

set by the President as important steps toward restarting peace talks. He explained that he had recently finished discussions with local government leaders, who had complained that they were not previously consulted about the abortive territorial agreement. President Arroyo was also considering whether to name Davao Mayor Rodrigo Duterte as the head of the government's peace panel, which represents the government in the peace negotiations. Esperon voiced optimism that he could wrap up by December all the consultations promised by the President with NGOs, church leaders and other interested parties.

OPERATIONS SAP BUDGETS, EVENTUALLY MORALE

14. (C) Ending the ongoing military operations in Central Mindanao and returning the tens of thousands of persons displaced by the fighting was an important task, Esperon acknowledged, but hardliners in the military and the government continued to see the current military effort as a way to diminish the military capacity of the MILF and keep the insurgents off balance. President Arroyo had set as a clear goal the capture of the rogue MILF commanders who had carried out savage attacks in early August when the memorandum of agreement began to unravel. The military leadership was determined to continue the hunt for the commanders, even if it no longer served a broader strategic purpose. Esperon went on to suggest that the situation of internally displaced persons (IDPs) in Mindanao was not as bad as some painted, but insisted that he had stressed to his former colleagues at the top of the military hierarchy that the continued operations were costing the military and the

MANILA 00002488 002 OF 002

nation significant sums, and that anger against the military was building among the IDPs. The military operations in Mindanao had also depleted troops and resources in other parts of the country, giving the communist New People's Army openings to make mischief, particularly in the Visayas. Troop morale would likely begin to suffer if they continued their hunt for the rogue MILF commanders into the Christmas season.

PRESSING ON WORSENING IDP SITUATION

- ${ t 15.}$ (C) The Ambassador pressed Esperon hard on the continued fighting in central Mindanao, saying that while the Philippine military had made progress in its efforts to weaken the rogue MILF military commands, continuing to focus on the tactical goal of capturing the commanders risked a larger strategic failure if the military alienated the tens of thousands of civilians who had been driven from their homes by the fighting. While the Philippine armed forces had successfully driven MILF fighters from key areas, they had not consolidated those gains by returning civilians to their villages and carrying out civil-military projects to help them rebuild their lives and livelihoods. With this upper hand, the armed forces could declare a ceasefire and end the fighting, enabling the government to move forward with peace talks. Otherwise, the military risked losing their credibility with the local population if they failed to follow up on their battlefield successes. Moreover, the international community was increasingly concerned by continued reports of displaced civilians and the potential for sanitation and health problems in several of the crowded IDP camps. The U.S. recently approved an additional \$300,000 in emergency aid to help alleviate such problems, but this was not a viable long-term situation, the Ambassador stressed.
- 16. (C) Esperon suggested weakly that there was a "defacto" ceasefire in Mindanao, "except for a few areas," but also acknowledged the importance of having the Philippine military undertake more civil-military projects to help displaced persons. He made a note for himself to discuss this further

with General Alexander Yano, his successor as armed forces chief of staff. Esperon said that the government was seeking advice from outside experts with experience in the Aceh and Northern Ireland peace processes. While agreeing that learning about other situations was useful, Ambassador cautioned Esperon not to rely too much on these two examples, since the situations were different in each case. She warned against getting distracted away from the goal of achieving peace with a detailed study of other conflicts. KENNEY